

CORRECTED FISCAL NOTE

SB 40 - HB 22

March 9, 2007

SUMMARY OF BILL: Requires all food service establishments to identify foods on their menus that contain artificial trans fat and include a warning statement regarding the health risks associated with trans fat.

ESTIMATED FISCAL IMPACT:

On February 15, 2007, we issued a fiscal note on this bill indicating *a one-time increase to state expenditures of \$35,200 and an increase to recurring state expenditures of \$445,200*. Based on additional information received from the Department of Health, the fiscal impact of the bill is as follows:

(Corrected)

**Increase State Expenditures - \$3,021,100 Recurring
\$97,600 One-Time**

**Increase Local Govt. Expenditures - \$1,479,900*
Increase Local Govt. Revenues - \$1,479,900**

Assumptions:

- The bill excludes child care center food service establishments, congregate meal sites funded through the Commission on Aging and Disability, and school establishments.
- Nutritional content is not considered to be part of a facility environmental health and safety inspection under present regulations.
- Currently the Department of Health employs 71 Environmental Health Specialist 3 positions in eight field offices throughout the state. Each environmentalist averages 760 facility inspections per year. Each inspection takes approximately 45 minutes from the time the environmentalist enters the door until he or she leaves. Such time does not include travel or administrative time.
- The Department of Health will need an additional Environmental Health Specialist 3 position in each field office to implement the provisions of the proposed legislation.
- The increase in recurring state expenditures for the addition of eight Environmental Health Specialist positions is estimated at \$445,200

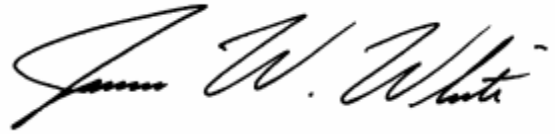
which includes: \$275,520 for salaries, \$96,432 for employee benefits, \$24,000 for travel, \$11,200 communications, \$5,600 for supplies, and \$32,800 for rentals and insurance.

- The increase in one-time state expenditures is estimated to be \$31,200 for supplies.
- The Department of Health will also need 16 Nutritionist 2 positions which include two nutritionists located in five of the rural regions three nutritionists for the East and Mid Cumberland regions to implement the provisions of the proposed legislation.
- The increase in recurring state expenditures for the addition of 16 Nutritionist positions is estimated at \$1,095,600 which includes: \$702,528 for salaries, \$245,885 for employee benefits, \$48,000 for travel, \$22,400 for communications and technology support, \$11,200 for supplies, and \$65,600 for rentals and insurance.
- The increase in one-time state expenditures is estimated to be \$62,400 for office set-up and supplies.
- It is estimated that the local governments will need similar positions to provide the needed services. Davidson, Shelby, Hamilton, and Knox counties will need three Nutritionist positions each. Sullivan and Madison counties will need an additional position each. Such is estimated to increase local government expenditures of \$1,003,100.
- Each of these local governments is also expected to need an additional Environmental Health Specialist. Such is estimated to increase local government expenditures of \$476,800.
- The Department of Health has a contractual agreement with these local governments to provide the funds for services. Such will result in an increase in state expenditures of \$1,479,900 (\$1,003,100 + \$476,800) and an increase in local government revenues of \$1,479,900.
- The Department of Environment and Conservation estimates there will be an increase in one-time state expenditures of \$4,000 for the State park restaurants to print new menus, new banquet menu guides and table tents concerning daily buffet items.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director